

Securities Fund, Inc.

A mutual fund for Canadians to accumulate their retirement savings in American growth securities. Shares are available through SFI Tax Saving Retirement Trusts that provide tax deductions within the limits provided by Sec. 79B of the Income Tax Act, as specified on page 2 of the Prospectus.

A TAX SAVING PROGRAM FOR CANADIANS

WHO want to reduce their current income taxes

WHO want a retirement annuity

WHO want some of their savings invested
for them in selected American growth stocks

The Canadian taxpayer should consider carefully an American mutual fund whose growth record is outstanding and whose shares are available to Canadians through SFI Tax Saving Retirement Trusts.

Canadian investors in SECURITIES FUND, INC. enjoy these advantages:

1. PROTECTION AGAINST INFLATION. Selected common stock equities keep up with monetary inflation.
2. DIVERSIFICATION. Your single investment participates in securities of over thirty different business and industrial corporations.
3. PROFESSIONAL MANAGEMENT. Experienced advisers constantly supervise your investment with the objective of growth, together with reasonable income and conservation of principal.
4. SAFETY. Your Retirement Trust is administered by THE ROYAL TRUST COMPANY. All underlying assets of the Fund are in custody of THE BANK OF NEW YORK, New York's first bank founded 1784.

All these advantages coupled with SUBSTANTIAL CURRENT INCOME TAX DEDUCTIONS are offered by SECURITIES FUND, INC. shares available to you through SFI Tax Saving Retirement Trusts.

SECURITIES FUND, INC., a corporation organized under the laws of New Jersey, is an open-end investment company or mutual fund owning a broad cross-section of investments in American industry and business. The Fund will redeem its shares when presented by the holder at a price equal to their net asset value, as set forth in this Prospectus.

Investment Adviser to the Fund is Templeton, Dobbrow & Vance, Inc., investment adviser to Canadian and American mutual funds, corporations and private individuals having assets aggregating over \$100,000,000.

In Canada, the Fund's primary purpose is to supply a medium for those investors who want to save taxes under the Registered Retirement Savings Plan provided for in the Income Tax Act and at the same time use their savings for investment in American enterprise.

Investment Policy

The Fund's main investment objective is growth and conservation of principal over a period of years, with regular income at a reasonable rate. Normally the Fund invests mostly in common stocks and convertible securities, warrants and other securities having investment characteristics similar to common stocks. The Fund will include varying amounts of bonds, preferred stocks and other senior securities when such a

course is deemed prudent in the judgment of the Board of Directors.

The Fund's portfolio is broadly diversified among American industries and companies. Investments in Canadian companies and those of other countries from time to time may be included.

The other policies and restrictions of the Fund are set forth on page 4.

The Board of Directors reserves freedom of action for taking considered risks within the framework and restrictions of this investment policy.

SFI Tax Saving Retirement Trusts

SFI Tax Saving Retirement Trusts qualify as registered retirement savings plans under Section 79B of the Income Tax Act of Canada which permits Canadian taxpayers to deposit with the trustee, and to claim as a deduction in determining their taxable income, up to 10% of earned income with a maximum of \$2,500 a year. If the taxpayer is also a member of a registered pension fund or plan to which an employer contributes, the taxpayer's combined contributions to both plans cannot exceed 10% of his earned income with a maximum of \$1,500 a year.

All deposits made by a Trust Member with The Royal Trust Company under an SFI Tax Saving Retirement Trust, after authorized deductions, will be invested within two business days from date of receipt in shares of Securities Fund, Inc., which shares represent participation in the diversified portfolio of selected securities owned by the Fund. The securities included in the portfolio as at March 31, 1960 are shown on pages 5 and 6 and are, of course, subject to change in accordance with the investment policy of the Fund.

The trustee will purchase Fund shares, as far as practicable, through unit payment plans as set forth on page 14. The unit payment plans, also administered by The Royal Trust Company, are selected by the trustee in the largest denominations and longest durations compatible with the amount of the intended annual tax saving deposit and the intended retirement age of the Trust Member.

Dividends and distributions on Fund shares held in an SFI Tax Saving Retirement Trust are automatically reinvested without charge at net asset value in further Fund shares.

The trustee will not vote the Fund shares but will forward proxies on all such shares to the Trust Member who, if he wishes to exercise voting rights, may designate on the proxy how he wants his Fund shares voted and send the proxy to Securities Fund, Inc., or if he wishes, he may attend and vote at any Fund shareholders meeting in person.

Termination of the Trust

After a Member has reached his intended retirement age or such earlier age as the Member may choose, the shares will be redeemed at their net asset value. Pursuant to the requirements of the Income Tax Act, the proceeds of such redemption will be used to purchase an annuity in any one of the optional forms permitted by the Income Tax Act that the Trust Member selects.

If the Member should die before his annuity is purchased, the proceeds of redemption of the Fund shares held for him will be paid in cash to his estate subject to deduction of any taxes which the Fund is required to withhold.

Tax Status

Use of the SFI Tax Saving Retirement Trusts carries with it two benefits under Canadian income tax law.

Firstly, the deposits made by the Trust Member to his SFI Tax Saving Retirement Trust are deductible from his current income for the purpose of determining his Canadian income tax. In the normal case the proceeds of his Fund shares will be used to purchase an annuity and only when he receives such annuity will he be subject to Canadian tax. If this occurs when the Trust Member's income from other sources is reduced by reason of his retirement, in many cases the tax should be at a comparatively low rate.

Secondly, dividends and distributions, whether of income or from capital gains, accruing to the Fund shares while held in the Trust, are received by the trustee free of Canadian and Provincial income taxes. Dividends received by the trustee representing income of the Fund derived from dividends on its portfolio stocks and interest on its taxable bonds will be subject to 15% U.S. withholding tax, but this tax will not apply to distributions of capital gains realized by the Fund or to dividends paid by it to the extent that they represent income from interest on tax exempt bonds.

In case of the Member's death before the annuity is purchased the proceeds of his shares when paid by the trustee to his estate will be subject to a withholding tax under the existing tax laws of Canada.

The foregoing statements are made on authority of Canadian and American counsel for the Fund, based on the existing tax statutes and treaties. No representation can be made as to the effect of any possible changes in the applicable laws.

Dividend Policy

The Directors propose to pay quarterly dividends from the dividends and interest received on the Fund's portfolio together with a distribution of net capital gains, if any are realized during the quarter. Any further realized net capital gains will be distributed as soon as practicable after the end of each fiscal year. Such dividends and distributions will be reinvested automatically in additional whole and fractional shares of the Fund at net asset value without charge.

Redemption of Shares

Fund shares are redeemable for cash at net asset value without charge, and this right is available to the trustee. Detailed information regarding redemption is set forth on page 11, par. i.

Trustee

The Royal Trust Company of Toronto, Ontario, is trustee of the SFI Tax Saving Retirement Trusts. The trustee for its services will charge the account of the Trust Member the service fees shown in the table on page 14.

Reports and Auditors

The accounts of the Trust Members in the SFI Tax Saving Retirement Trusts are audited by McDonald, Currie & Co. The auditors of the Fund are Lybrand, Ross Bros. & Montgomery. Each Trust Member receives semi-annual financial reports of the Fund and an annual statement of the number of shares and any cash credited to his Trust.

Management

The directors and officers of the Fund and their principal occupations are set out at page 11.

Investment Adviser

The investment adviser of the Fund is Templeton, Dobbrow & Vance, Inc., 30 Rockefeller Plaza, New York.

Distributor and Sales Commissions

The distributing agent of the Fund in Canada is Templeton Investment Managers of Canada, Ltd., whose principal office is at 42 Charles Street East, Toronto, Ontario. The distributing agent receives a sales commission based on the face amount of the unit payment plans through which the trustee acquires Fund shares for the Trusts. The sales commissions, ranging from 8.48% to 6.25% depending on the size of the unit payment plan, are set forth in detail on page 14. Since the greater part of the sales commission is paid out of the first thirteen payment units of any unit payment plan, a Trust Member who discontinues his deposits prior to intended retirement age or who fails to maintain his intended annual tax saving deposit will, in effect, pay a sales commission which is a higher percentage of his deposits and consequently discontinuance is likely to result in a loss.

Other Policies

The Fund:

1. Will not purchase securities on margin nor sell short.
2. Will not participate in underwriting any securities.

3. Will not invest in real estate beyond 5% of its net assets.

4. Will not invest in commodities beyond 5% of its net assets.

5. Will not make loans apart from the purchase of bonds, debentures and other evidences of indebtedness.

6. Will not borrow in excess of 25% of its gross assets.

7. With regard to 75% of its assets, the Fund will not invest more than 5% of its gross assets in the securities of any single issuer (except the U.S. Government) and will not purchase securities amounting to more than 10% of any class of securities of any single issuer.

8. With regard to no more than a maximum of 25% of the Fund's assets, should investment considerations in the opinion of management make it appropriate, the Fund reserves the right to depart from its normal practice of investing no more than 5% of its assets in the securities of any single issuer (except the U.S. Government) nor of purchasing securities amounting to more than 10% of any class of securities of any single issuer. The purchase of securities freed of such restrictions incidentally may result in acquiring control and the exercise of management functions, although it will not be the policy of the Fund to seek control as such.

9. Will not invest in any other investment companies except by purchase in the open market without profit to any sponsor or dealer beyond customary brokerage commissions.

10. Will not purchase securities from or sell them to its own officers or directors or any company in which they may have an interest or be employed.

No changes in these policies can be made without shareholder approval.

Securities Fund, Inc.
(formerly Templeton & Liddell Fund, Inc.)

INVESTMENTS
as at March 31, 1960

COMMON STOCKS:

Shares		Cost†	Market Value†
Aviation:			
2,500	Delta Air Lines, Inc.	\$ 58,168	\$ 51,875
1,000	Eastern Air Lines, Inc.	23,294	24,375
600	Northwest Air Lines, Inc.	7,156	11,550
2,000	*Spartan Air Services, Ltd.	16,603	4,250
2,106	Western Air Lines, Inc.	37,771	55,270
		<u>\$ 142,992</u>	<u>\$ 147,320</u>
Building:			
5,512	Admiral Homes, Inc.	\$ 21,194	\$ 15,847
4,500	*Richmond Homes, Inc.	9,279	7,875
500	U. S. Plywood Corp.	14,432	23,250
1,000	Western Plywood Co., Ltd. "B"	18,096	14,750
		<u>\$ 63,001</u>	<u>\$ 61,722</u>
Chemical and Drug:			
700	Monsanto Chemical Co.	\$ 25,502	\$ 29,313
Electrical:			
1,000	McGraw-Edison Co.	\$ 42,400	\$ 42,750
Financial:			
1,000	Waddell & Reed, Inc. "A"	\$ 23,500	\$ 26,875
700	Webster Investors, Inc.	8,494	19,600
		<u>\$ 31,994</u>	<u>\$ 46,475</u>
Food and Beverage:			
3,000	*Eastern Shopping Centers, Inc.	\$ 11,145	\$ 11,437
Insurance:			
396	Western Insurance Securities Corp.	\$ 29,218	\$ 49,500
Machinery:			
1,100	Udylite Corp.	\$ 12,989	\$ 18,288
2,000	Tractor Supply Co. "A"	40,990	42,000
		<u>\$ 53,979</u>	<u>\$ 60,288</u>
Merchandising:			
2,100	Atlas Sewing Centers, Inc.	\$ 11,595	\$ 21,788
Metal and Mining:			
2,000	United States Foil Co. "B"	\$ 10,329	\$ 80,000
600	Ventures, Ltd.	9,574	13,950
		<u>\$ 19,903</u>	<u>\$ 93,950</u>

Miscellaneous:			
700	American Manufacturing Co.	\$ 12,759	\$ 17,150
500	Perrine Industries, Inc. Warrants	50	
2,000	*Perkins-Elmer Corp.	24,341	68,750
1,020	Porter (H. K.) Co., Inc. (Del.)	64,204	65,790
1,000	*Velok, Ltd.	23,569	22,500
		<u>\$ 124,923</u>	<u>\$ 174,190</u>
Oil:			
800	Gulf Oil Corp.	\$ 10,171	\$ 25,600
Paper and Publishing:			
400	McGraw-Hill Publishing Co., Inc.	\$ 17,447	\$ 30,200
Public Utilities:			
1,350	Transwestern Pipe Line Co.	\$ 19,912	\$ 16,875
Office Equipment:			
2,000	Bruning(Charles) Co., Inc.	\$ 53,847	\$ 69,750
Special Ventures:			
7,000	*World-Wide Helicopters Ltd.	\$ 28,804	\$ 11,375
Sporting Goods:			
1,700	*Spalding (A.G.) & Bros., Inc.	\$ 29,487	\$ 37,400
	Total common stocks	<u>\$ 716,320</u>	<u>\$ 929,933</u>

PREFERRED STOCKS:

Shares		Cost†	Market Value†
Industrial:			
700	du Pont (E.I.) de Nemours & Co. \$4.50	\$ 72,445	\$ 70,437
300	National Lead Co. "A" 7%	44,919	45,000
		<u>\$ 117,364</u>	<u>\$ 115,437</u>
Public Utilities:			
1,000	Northern Natural Gas Co. 5.60%	\$ 100,000	\$ 106,000
1,000	Texas Eastern Transmission Corp. 5½%	100,000	99,500
1,000	Texas Gas Transmission Corp. 2nd Conv. 5¼%	100,001	107,250
		<u>\$ 300,001</u>	<u>\$ 312,750</u>
	Total preferred stocks	<u>\$ 417,365</u>	<u>\$ 428,187</u>

BONDS:			
<u>Principal Amounts</u>		<u>Cost†</u>	<u>Market Value†</u>
U.S. Government:			
\$380,000	U.S. Treasury Notes "A," 4%, 8/1/61-59	<u>\$ 380,927</u>	<u>\$ 380,950</u>
Industrials:			
50,000	Can-Met Exploration, Ltd. 5½%, 1962 (ex wts)	\$ 46,967	\$ 47,000
50,000	Consolidated Dennison Mines, Ltd. 1st "B" 5%, 1962 (ex wts)	47,479	51,125
40,000	Ferro Corp. Conv. 3%, 1975	40,322	50,200
100,000	General Motors Acceptance Corp. 4%, 1979	94,988	94,000
80,000	Grand Union Co. Conv. 4½%, 1978	91,984	88,000
50,000	Home Oil Co., Ltd. 6%, 1975	52,453	52,750
30,000	Oswego Falls Corp. Conv. 4¼%, 1976	29,946	29,850
29,000	Pacific Finance Corp. 4½%, 1967	28,041	26,245
25,000	Perrine Industries, Inc. Conv. 6½%, 1979	25,000	23,125
30,000	Radio Corp. of America Conv. 3½%, 1980	33,094	41,550
100,000	Sears, Roebuck & Co. 4¾%, 1983	105,250	101,500
100,000	Standard Oil Co. (Indiana) 4½%, 1983	104,000	99,625
100,000	United States Steel Corp. 4%, 1983	97,250	94,000
		<u>\$ 796,774</u>	<u>\$ 798,970</u>

Public Utilities:			
100,000	American Telephone & Telegraph Co. 4¾%, 1985	\$ 100,875	\$ 98,625
20,000	Central Electric & Gas. Co. 4¾%, 1973	19,700	21,700
27,000	Transwestern Pipe Lines 5%, 1969	21,600	22,005
		<u>\$ 142,175</u>	<u>\$ 142,330</u>
Transportation:			
50,000	Continental Air Lines, Inc. Conv. 5¾%, 1973	\$ 50,000	\$ 51,500
	Total bonds	<u>\$1,369,876</u>	<u>\$1,373,750</u>
	Total investments	<u>\$2,503,561</u>	<u>\$2,731,870</u>

*Nonincome-producing.

†Market value represents amount of investments priced at published last sale prices on national securities exchanges for March 31, 1960, or, in the absence of recorded sales, the average of closing bid and asked prices on such exchanges or over-the-counter obtained from published sources where available and otherwise from other sources considered reliable.

The cost of investments (\$2,503,561) is determined on the first-in, first-out basis; the same basis is used for Federal income tax purposes.

Securities Fund, Inc.
(formerly Templeton & Liddell Fund, Inc.)

BALANCE SHEET
March 31, 1960
(Expressed in United States Dollars)

Assets:

Investments at market value*, schedule annexed	\$2,731,870
Cash	62,176
Accrued interest and dividends receivable	20,449
	<u>\$2,814,495</u>

Liabilities:

Payable for investments purchased	\$ 2,485
Payable for capital stock repurchased	2,512
Accrued taxes	540
Accrued expenses	5,584
	<u>11,121</u>

Capital:

Common stock, authorized 3,000,000 shares, par value \$1.00,	
outstanding 223,450 shares	223,450
Capital surplus	2,314,668
Undistributed earned surplus	\$ 36,947
Net unrealized appreciation of investments	228,309
	<u>\$2,814,495</u>

*See list of investments for description of market value.

Approved on behalf of the Board.

(signed) John M. Templeton, Director
(signed) Roy M. Heavner, Director

Securities Fund, Inc.
(formerly Templeton & Liddell Fund, Inc.)

STATEMENTS OF NET INVESTMENT INCOME
(Expressed in United States Dollars)

	Examined by Lybrand, Ross Bros. & Montgomery		Examined by Robert Malesardi & Co.		Examined by Richard S. Jessup			
	Five Months Ended Mar. 31, 1960	Fiscal Year Ended Oct. 31, 1959	Fiscal Year Ended Oct. 31, 1958	Nine Months Ended Oct. 31, 1957	Fiscal Year Ended Jan. 31, 1957	Fiscal Year Ended Jan. 31, 1956	Fiscal Year Ended Jan. 31, 1955	Fiscal Year Ended Jan. 31, 1954
Income:								
Cash dividends (less taxes withheld)	\$16,888	\$26,667	\$20,012	\$16,642	\$22,942	\$24,544	\$25,436	\$20,629
Interest	25,803	58,899	38,702	24,470	22,097	13,100	5,063	3,030
	<u>\$42,691</u>	<u>\$85,566</u>	<u>\$58,714</u>	<u>\$41,112</u>	<u>\$45,039</u>	<u>\$37,644</u>	<u>\$30,499</u>	<u>\$23,659</u>
Expenses:								
Investment advisory fees	\$ 5,838	\$11,092	\$ 4,800	\$ 3,600	\$ 4,800	\$ 4,800	.....	.....
Legal and auditing	763	2,006	890	930	650	500	\$ 375	\$ 215
State franchise taxes, etc.	490	2,483	459	.....	458	397	495	100
Custodian and transfer fees and expenses	790	3,043	.....	800	565	282	233	118
Reports to stockholders	103	222	107	105	97	218	274	89
Miscellaneous	.....	1,122	.....	.....	.....	.....	103	67
	<u>\$ 7,984</u>	<u>\$19,968</u>	<u>\$ 6,256</u>	<u>\$ 5,435</u>	<u>\$ 6,570</u>	<u>\$ 6,197</u>	<u>\$ 1,480</u>	<u>\$ 589</u>
Net investment income	<u>\$24,707</u>	<u>\$65,598</u>	<u>\$52,458</u>	<u>\$35,677</u>	<u>\$38,469</u>	<u>\$31,447</u>	<u>\$29,019</u>	<u>\$23,070</u>
								<u>\$ 281</u>
								<u>\$12,645</u>

†Commenced business January 31, 1952 (incorporated January 14, 1952) by acquiring all assets of a predecessor fund.

Notes:

- A. Investment advisory fees were waived prior to January 31, 1955; for the period from February 1, 1955 through February 28, 1959 such fees were at the rate of \$400 per month (which was less than the amount called for by the investment advisory agreement); under a new agreement with Templeton, Dobbrow & Vance, Inc., put into effect March 1, 1959, such fees were accrued monthly at the rate of $\frac{1}{8}$ of 1% of net assets at the end of each fiscal quarter.
- B. For the fiscal year ended October 31, 1959 and the period ended March 31, 1960, the Fund adopted the practice of accruing certain tax and other expense items which in previous periods were recorded on a cash basis. As a result of this change, reported net income for the fiscal year ended October 31, 1959 is less by approximately \$2,800 than would have been reported on the basis previously used.

SECURITIES FUND, INC.
(formerly Templeton & Liddell Fund, Inc.)

**STATEMENTS OF UNDISTRIBUTED EARNED SURPLUS
and NET UNREALIZED APPRECIATION OF INVESTMENTS**
(Expressed in United States Dollars)

	Examined by Lybrand, Ross Bros. & Montgomery		Examined by Robert Malesardi & Co.		Examined by Richard S. Jessup	
	Five Months Ended Mar. 31, 1960	Fiscal Year Ended Oct. 31, 1959	Fiscal Year Ended Oct. 31, 1958	Nine Months Ended Oct. 31, 1957	Fiscal Year Ended Jan. 31, 1957	Fiscal Year Ended Jan. 31, 1956
Undistributed earned surplus:						
Net gain on sale of investments:						
Balance, beginning of period	\$121,887	\$ 33,649	\$ 36,364	\$ 68,209	\$ 90,590	\$ 51,005
Net gains	29,983	137,491	29,247	26,049	73,937	87,057
Distributions to stockholders	(127,830)	(49,253)	(31,962)	(57,894)	(96,318)	(47,472)
Balance, end of period	<u>\$ 24,040</u>	<u>\$121,887</u>	<u>\$ 33,649</u>	<u>\$ 36,364</u>	<u>\$ 68,209</u>	<u>\$ 90,590</u>
Net investment income:						
Balance, beginning of period	\$ 21,096	\$ 12,019	\$ 10,706	\$ 23,290	\$ 16,291	\$ 6,306
Net accrued income included in price of capital stock sold and repurchased	221*	2,074*	.....	.....	.....	.....
Net investment income	34,707	65,598	52,458	35,677	38,469	31,447
Distributions to stockholders	(43,117)	(58,595)	(51,145)	(48,261)	(31,470)	(21,462)
Balance, end of period	<u>\$ 12,907</u>	<u>\$ 21,096</u>	<u>\$ 12,019</u>	<u>\$ 10,706</u>	<u>\$ 23,290</u>	<u>\$ 16,291</u>
Undistributed earned surplus, end of period	<u>\$ 36,947</u>	<u>\$142,983</u>	<u>\$ 45,668</u>	<u>\$ 47,070</u>	<u>\$ 91,499</u>	<u>\$106,881</u>
Net unrealized appreciation (depreciation) of investments:						
Balance, beginning of period	\$245,334	\$203,747	(\$ 19,837)	\$215,853	\$244,481	\$200,696
Net increase (decrease)	(17,025)	41,587	223,584	(235,690)	(28,628)	43,785
Balance, end of period	<u>\$228,309</u>	<u>\$245,334</u>	<u>\$203,747</u>	<u>(\$ 19,837)</u>	<u>\$215,853</u>	<u>\$244,481</u>

*During the fiscal year ended October 31, 1959 and the five months ended March 31, 1960, the Fund adopted the policy of recording separately the portion of the sales and repurchase price of shares applicable to undistributed investment income.

STATEMENTS OF CHANGES IN CAPITAL SURPLUS
(Expressed in United States Dollars)

	Examined by Lybrand, Ross Bros. & Montgomery		Examined by Robert Malesardi & Co.		Examined by Richard S. Jessup	
	Five Months Ended Mar. 31, 1960	Fiscal Year Ended Oct. 31, 1959	Fiscal Year Ended Oct. 31, 1958	Nine Months Ended Oct. 31, 1957	Fiscal Year Ended Jan. 31, 1957	Fiscal Year Ended Jan. 31, 1956
Capital surplus (excess of amounts received for capital stock sold, less par value thereof and por- tion applicable to income):						
Balance, beginning of period	\$2,275,982	\$1,802,205	\$1,474,151	\$1,195,132	\$ 952,217	\$746,436
Net additions on sales and repurchases of capital stock	38,686	626,373	328,054	279,019	242,915	216,933
Transferred to capital stock account in connection with stock splits†	.....	(152,596)	.....	.....	.....	(11,152)
Balance, end of period	<u>\$2,314,668</u>	<u>\$2,275,982</u>	<u>\$1,802,205</u>	<u>\$1,474,151</u>	<u>\$1,195,132</u>	<u>\$952,217</u>
Number of shares sold and repurchased (adjusted for stock splits):						
Sold	7,344	69,978	34,610	24,925	20,335	16,855
Repurchased	3,984	19,243	5,505	1,695	1,485	....
Net additions	<u>3,360</u>	<u>50,735</u>	<u>29,105</u>	<u>23,230</u>	<u>18,850</u>	<u>16,855</u>

†Stock splits were as follows: two additional shares for each one held on April 30, 1955; four additional shares for each one held on February 2, 1959.

To the Board of Directors and Stockholders,
Securities Fund, Inc.,
Englewood, New Jersey

We have examined the balance sheet of SECURITIES FUND, INC. as of March 31, 1960 and the related statements of net investment income, undistributed earned surplus, net unrealized appreciation of investments and changes in capital surplus for the fiscal year ended October 31, 1959 and the five months ended March 31, 1960. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the afore-mentioned financial statements present fairly the financial position of Securities Fund, Inc. at March 31, 1960, and the results of its operations for the fiscal year ended October 31, 1959 and the five months ended March 31, 1960, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year, except for the change indicated in Note B to the statement of net investment income, with which change we concur.

(signed) LYBRAND, ROSS BROS. & MONTGOMERY

New York, April 28, 1960.

To the Board of Directors and Stockholders,
Securities Fund, Inc.,
Englewood, New Jersey

We have examined the statements of net investment income, undistributed earned surplus, net unrealized appreciation of investments and changes in capital surplus for the nine months ended October 31, 1957 and the year ended October 31, 1958 of Securities Fund, Inc. (formerly known as Templeton & Liddell Fund, Inc.) a New Jersey corporation. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforesaid financial statements present fairly the results of the operations of Securities Fund, Inc. for the nine months ended October 31, 1957 and the year ended October 31, 1958, and were prepared in conformity with generally accepted accounting principles applied on a consistent basis through the period.

(signed) ROBERT MALESARDI & COMPANY

Englewood, New Jersey, May 20, 1960

To the Board of Directors and Stockholders,
Securities Fund, Inc.,
Englewood, New Jersey

I have examined the financial statements of Securities Fund, Inc. (formerly known as Templeton & Liddell Fund, Inc.) from the Company's fiscal year ended January 31, 1953 through its fiscal year ended January 31, 1957. My examination was in accordance with generally accepted auditing standards and accordingly included such tests of accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion the annexed statements of net investment income, undistributed earned surplus and net unrealized appreciation of investments, and changes in capital surplus present fairly the net investment income of the Company for the period of the fiscal year ended January 31, 1953 through the fiscal year ended January 31, 1957, and the results of operations for the fiscal year ended January 31, 1956 and the fiscal year ended January 31, 1957, in conformity with generally accepted accounting principles applied on a consistent basis.

(signed) RICHARD S. JESSUP, Certified Public Accountant

New York, New York, May 24, 1960

STATUTORY INFORMATION

pursuant to requirements of Canadian Provincial
Securities Acts.

(a) SECURITIES FUND, INC. (herein called the "Fund") has its head office at 163 Engle Street, Englewood, New Jersey, U.S.A.

(b) The Fund was incorporated under the laws of the State of New Jersey, U.S.A., by Certificate of Incorporation dated January 4, 1952, amended by Certificates of Amendment dated September 29, 1955 and February 6, 1959. The last mentioned Certificate of Amendment changed the original name of the Fund, Templeton & Liddell Fund, Inc., to Securities Fund, Inc.

(c) The general nature of the business transacted by the Fund is that of an open-end, diversified, management investment company. The Fund has power to invest in and hold for investment and sell securities. Investment powers are vested in the Board of Directors subject to the investment policy and to the restrictions referred to under the headings "Investment Policy" on page 1 and "Other Policies" on page 4 of this Prospectus.

(d) The following are the names, present occupations and home addresses of the directors and officers of the Fund:

<i>Name and Title</i>	<i>Home Address</i>	
JOHN MARKS TEMPLETON President, Treasurer and Director	126 Chestnut St., Englewood, N. J.	
	<i>Present Occupation</i>	Executive
ROY SHAW HEAVNER Vice-President and Director	47 Heights Road, Allendale, N. J.	
	<i>Present Occupation</i>	Executive
JOHN WESTERVELT ACKLEY, JR. Director	129 East 69th St. New York 21, N. Y.	
	<i>Present Occupation</i>	Executive
WIRT LORD THOMPSON, JR. Director	470 Beach Road, Fairfield, Conn.	
	<i>Present Occupation</i>	Executive
HENRY AUGUSTUS WILMERDING Director	Westbury, N. Y.	
	<i>Present Occupation</i>	Private Investor

<i>Name and Title</i>	<i>Home Address</i>	
WILLIAM SPENCER PALMER Vice-President	206 Walnut Street, Englewood, N. J.	
	<i>Present Occupation</i>	Executive
ANTONIA PISTEY Secretary	1291 Dickerson St., West Englewood, N. J.	
	<i>Present Occupation</i>	Secretary

(e) There is no investment advisory committee or similar body. However, the Fund has retained as Investment Adviser, Templeton, Dobbrow & Vance, Inc., 30 Rockefeller Plaza, New York, N. Y., U.S.A., some of whose stockholders are officers and directors of the Fund as described in paragraph (u) of this Statutory Information. The Investment Adviser has agreed to furnish the Fund with advice and recommendations with respect to investments, investment policies and the purchase and sale of securities. For its services the Investment Adviser receives, pursuant to a contract renewable annually, a quarterly fee of $\frac{1}{8}$ of 1% of the total net assets of the Fund as of the last business day in each quarter.

(f) The Auditors of the Fund are Lybrand, Ross Bros. & Montgomery, Certified Public Accountants. 2 Broadway, New York, N. Y., U.S.A. McDonald, Currie & Co., Chartered Accountants, 100 University Avenue, Toronto, Ontario, are Auditors of the SFI Tax Saving Retirement Trusts referred to elsewhere in this Prospectus.

(g) The Transfer Agents for the shares of the Fund are The Bank of New York, 48 Wall Street, New York, N. Y., U.S.A. and The Royal Trust Company, 66 King Street West, Toronto, Ontario.

(h) The authorized share capital of the Fund is 3,000,000 shares of the par value of \$1 each. As of March 31, 1960, there were 223,450 shares outstanding and fully paid.

(i) Each share is entitled to one vote and to participate equally with all other outstanding shares in all dividends declared by the Fund and upon liquidation or other distribution of capital assets. Every shareholder is entitled to require the Fund to redeem

all or any part of his shares at the net asset value of such shares at the close of the market next succeeding the surrender of the certificates for the shares to be redeemed. All Fund shares purchased for the account of a Trust Member under an SFI Tax Saving Retirement Trust will be registered in the name of The Royal Trust Company as trustee and that company accordingly will have the right to require the Fund to redeem a Trust Member's shares. Payment of the redemption price is made within seven days after such surrender. The Fund, however, may suspend the right of redemption during any period when (a) trading on the New York Stock Exchange is restricted, or such Exchange is closed for other than weekends and holidays; (b) the United States Securities and Exchange Commission has by order permitted such suspension; or (c) an emergency, as defined by rules of the Securities and Exchange Commission, exists, making disposal of portfolio securities or valuation of net assets of the Fund not reasonably practicable. Net asset value is determined as set out in paragraph (o) of this Statutory Information.

(j), (l) There are no securities issued or proposed to be issued which will rank ahead of or *pari passu* with the securities offered and no substantial indebtedness is to be created or assumed which is not shown in the balance sheet dated March 31, 1960 included in this Prospectus.

(k) No assets are held to protect any liability to the public in respect of securities sold to the public and there are no trustees or trustee agreements. However the Fund employs The Bank of New York, 48 Wall Street, New York, N. Y., U.S.A., as custodian and all securities and cash of the Fund are held by it, except for a cash balance not to exceed \$10,000 at any one time which may be used by the Fund for administrative purposes.

(n) The shares of the Fund will be offered continuously at their net asset value, determined as set out in paragraph (o), through the distributors referred to in paragraph (s) of this Statutory Information. The present intention is that shares of the Fund will be sold in Canada only to The Royal Trust Company as trustee of the SFI Tax Saving Retirement Trusts referred to elsewhere in this Prospectus.

(o) The securities offered by this Prospectus, which are offered to the Canadian public exclusively for purchase through the Trustee in an SFI Tax Saving Retirement Trust, are shares of \$1 par value of capital stock of the Fund, of which 2,776,550 shares were unissued at March 31, 1960. The issue price is the net asset value of the shares which is determined twice a day at 2 P.M. and 4:30 P.M. New York Time on each day the New York Stock Exchange is open for trading. The net asset value is based on the security market prices of one hour earlier. The 4:30 P.M. price of one day remains effective until the 2 P.M. price is obtained on the next day on which the New York Stock Exchange is open for trading. In determining net asset value, portfolio securities are taken at their last sale price; if no sale price is reported the average of the last bid and asked prices is used or, in the absence of a recent sale or of current bid and asked prices, the fair value as determined by the Board of Directors. The aggregate value of such portfolio securities is added to the value of the Fund's other assets, such as cash and receivables. The total of the assets thus obtained, less any liabilities, is then divided by the number of shares outstanding and the result is the net asset value per share, adjusted to the nearest full cent. Commissions are payable on the basis set out in paragraph (s) of this Statutory Information. The price so determined and the commission thereon are payable in cash. No shares of the Fund have been offered in Canada prior to the date of this Prospectus.

(p) The net proceeds to be derived from the shares offered will depend on the issue price and the commission determined as set forth in the preceding paragraph, and accordingly no estimate of such net proceeds can be made.

(q), (r) The proceeds of sale of the Fund's shares are used for investment by way of addition to the Fund's portfolio in accordance with its investment policy. No amount is required to be raised for the purchase of any property, for any preliminary expenses payable by the Fund, for any commission payable by the Fund, for the repayment of any monies borrowed by the Fund, or for the repayment of any bank loans.

(s) The Fund has entered into an agreement dated as of April 7, 1960 with Templeton Investment Managers of Canada, Ltd., as Canadian distributor for the Fund's shares. Such shares will be sold to The Royal Trust Company as trustee of the SFI Tax Saving Retirement Trusts referred to elsewhere in this Prospectus in accordance with such unit payment plans set forth hereunder as the trustee may require for the purpose of such Trusts. The trustee, out of deposits paid into the Trusts, will pay to the distributor selling agent's commissions determined in accordance with the amount and duration of the unit payment plans selected by the trustee as shown in the table on page 14.

(t) The Fund's By-law Twenty-three provides:

"Directors, as such, shall not receive any stated salary for their services, but by resolution of the Board a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor."

(u) The Fund did not pay in its last financial year and does not expect to pay in its current financial year any remuneration to any of its officers or directors. John M. Templeton and Roy S. Heavner, directors and officers of the Fund, and William S. Palmer and Antonia Pistey, officers of the Fund, are stockholders of Templeton, Dobbrow & Vance, Inc. which receives compensation as Investment Adviser to the Fund as stated in paragraph (e) of this Statutory Information.

(v) Commissions at the rates set forth in paragraph (s) of this Statutory Information are payable to the Fund's selling agents out of amounts deposited by subscribers under the unit payment plans referred to in said paragraph.

(x), (y) The only property acquired or proposed to be acquired by the Fund consists of investments acquired in the ordinary course of its operations.

(zd) During the two years preceding the date of this Prospectus the Fund has entered into the following contracts in addition to contracts in the ordinary course of business:

(1) the custodian agreement dated March 26, 1959 with The Bank of New York referred to in paragraph (k) of this Statutory Information;

(2) agreement dated as of March 1, 1960 with Securities Fund Investors, Inc. for distribution of the Fund's shares in the United States;

(3) the underwriting agreement dated as of April 7, 1960 with Templeton Investment Managers of Canada, Ltd. referred to in paragraph (s) of this Statutory Information.

Copies of the said contracts may be inspected at the office of Templeton Investment Managers of Canada, Ltd., 42 Charles Street East, Toronto, during ordinary business hours in the period of primary distribution to the public of the securities hereby offered.

(zg) So far as the directors know, there are no persons who by reason of beneficial ownership of securities of the Fund or any agreement in writing are in a position to, or are entitled to, elect or cause to be elected a majority of the directors of the Fund.

(zh) Dividends and distributions of net capital gains paid during the five years preceding the date of this statement are as follows:

	<i>Dividends</i>	<i>Distributions</i>
Year ended Jan. 31, 1955	\$.334	—
Year ended Jan. 31, 1956	.250	\$.574
Year ended Jan. 31, 1957	.302	.956
9 mos. ended Oct. 31, 1957	.384	.492
Year ended Oct. 31, 1958	.334	.224
Year ended Oct. 31, 1959	.298	.262
Dec. 15, 1959	.095	.480
Mar. 15, 1960	.100	.100

The foregoing declarations constitute full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 40 of The Securities Act (Ontario), by Section 40 of The Securities Act, 1954 (Saskatchewan), by Section 13 of the Security Frauds Prevention Act (New Brunswick), by Part X of The Securities Act, 1955 (Alberta), and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible.

This is the table referred to in paragraph(s) of the statutory information.

UNIT PAYMENT PLANS ALLOCATION OF PAYMENTS

Total Plan Payments	Payment Unit	CREATION AND SALES CHARGES				TRUSTEE'S SERVICE CHARGE (b)		Net Investment in Fund Shares (c)
		Per Payment 1st Thru the 13th	Per Payment 14th Thru end of period	Total for all Payments	Percentage of Total Payments	Per Payment	Total for all Payments	
FIVE YEAR PLANS (60 payments)								
\$ 2,400	\$ 40.00	\$ 15.66	—	\$ 203.58	8.48%	\$.95	\$ 57.00	\$ 2,139.42
3,000	50.00	19.58	—	254.54	8.48	1.15	69.00	2,676.46
4,500	75.00	29.35	—	381.55	8.48	1.25	75.00	4,043.45
6,000	100.00	39.15	—	508.95	8.48	1.40	84.00	5,407.05
9,000	150.00	58.74	—	763.62	8.48	1.60	96.00	8,140.38
12,500(a)	208.32(a)	74.50	—	968.50	7.75	1.85	111.00	11,420.50
TEN YEAR PLANS (120 payments)								
\$ 3,000	\$ 25.00	\$ 12.40	\$.87	\$ 254.29	8.48%	\$.70	\$ 84.00	\$ 2,661.71
3,600	30.00	15.00	1.03	305.21	8.48	.85	102.00	3,192.79
4,800	40.00	20.00	1.37	406.59	8.48	.95	114.00	4,279.41
6,000	50.00	25.00	1.72	509.04	8.48	1.15	138.00	5,352.96
9,000	75.00	37.50	2.58	763.56	8.48	1.25	150.00	8,086.44
12,000	100.00	50.00	2.62	930.34	7.75	1.40	168.00	10,901.66
18,000	150.00	75.00	3.92	1,394.44	7.75	1.60	192.00	16,413.56
25,000(a)	208.32(a)	104.00	1.97	1,562.79	6.25	1.85	222.00	23,215.21
FIFTEEN YEAR PLANS (180 payments)								
\$ 4,500	\$ 25.00	\$ 12.40	\$ 1.32	\$ 381.64	8.48%	\$.70	\$ 126.00	\$ 3,992.36
5,400	30.00	14.95	1.58	458.21	8.48	.85	153.00	4,788.79
7,200	40.00	20.00	2.10	610.70	8.48	.95	171.00	6,418.30
9,000	50.00	24.95	2.63	763.56	8.48	1.15	207.00	8,029.44
13,500	75.00	37.50	3.35	1,046.95	7.75	1.25	225.00	12,228.05
18,000	100.00	50.00	4.46	1,394.82	7.75	1.40	252.00	16,353.18
27,000	150.00	75.00	4.27	1,688.09	6.25	1.60	288.00	25,023.91
37,500(a)	208.32(a)	104.00	5.94	2,343.98	6.25	1.85	333.00	34,823.02

(a) The first two payments under each of the Plans as shown are as follows: 5 year Plan \$208.72; 10 year Plan \$209.12; 15 year Plan \$209.52.

(b) This charge does not include a charge, not to exceed \$2.00 per year, payable to the Distributor out of dividends and distribu-

tions after one year's payments or their equivalent have been made.

(c) To these figures may be added the value of dividends and distributions received on the Fund shares and reinvested without charge in additional Fund shares.

DATED this 24th day of May, 1960.

DIRECTORS

(signed) John M. Templeton

(signed) Roy S. Heavner

(signed) John W. Ackley, Jr.,

by his agent, Harold Weill

(signed) Wirt L. Thompson, Jr.,

by his agent, Harold Weill

(signed) Henry A. Wilmerding,

by his agent, Harold Weill

DISTRIBUTORS

To the best of our knowledge, information and belief, the foregoing declarations constitute full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 40 of The Securities Act (Ontario), by Section 40 of The Securities Act, 1954 (Saskatchewan), by Section 13 of the Security Frauds Prevention Act (New Brunswick), by Part X of The Securities Act, 1955 (Alberta), and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

**TEMPLETON INVESTMENT MANAGERS
OF CANADA, LTD.**

by:

(signed) NOEL M. SEEBURG, JR.
President

The following are the names of all persons having an interest directly or indirectly to the extent of not less than 5% in the capital of Templeton Investment Managers of Canada, Ltd.: N. Marshall Seeburg, Noel M. Seeburg, Jr., Justus P. Seeburg II and John M. Templeton.

(signed) NOEL M. SEEBURG, JR.



THE ROYAL TRUST COMPANY

Trustee of
SFI Tax Saving Retirement Trusts
Transfer Agent
66 King Street West
Toronto 1

MCDONALD, CURRIE & CO.

Auditors for The Royal Trust
Company as Trustee
100 University Avenue
Toronto 1

LYBRAND, ROSS BROS. & MONTGOMERY

Auditors for Securities Fund, Inc.
2 Broadway, New York, 4

THE BANK OF NEW YORK

Custodian
48 Wall Street, New York, 15

**PHILLIPS, BLOOMFIELD, VINEBERG
& GOODMAN**

Canadian legal counsel
464 St. John Street, Montreal, 1

TEMPLETON, DOBBROW & VANCE, INC.

Investment Adviser
30 Rockefeller Plaza, New York, 20

LEON, WEILL & MAHONY

American legal counsel
9 East 40th Street, New York, 16

SECURITIES FUND, INC.

163 Engle Street, Englewood, N. J.

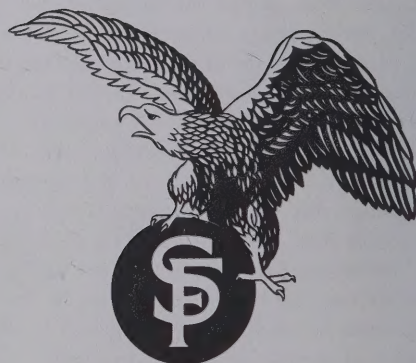


Exclusive Canadian Distributor

**TEMPLETON INVESTMENT MANAGERS
OF CANADA, LTD.**

42 Charles Street East, Toronto 5
WALnut 5-2273

**Securities
Fund,
Inc.**



May 24, 1960

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PROSPECTUS